

**STATE OF MISSOURI  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
SMALL BUSINESS INCUBATOR**

***APPLICATION***

1. APPLICANT INFORMATION

Name:

Address:

Contact Person:

Telephone Number:

Facsimile Number:

E-mail Address:

2. TYPE OF INCUBATOR PROJECT

Acquisition

Building

Construction

Equipment

Furnishings

Land

Rehabilitation

Other

3. FOCUS OF INCUBATOR COMPANIES

Manufacturing

Product Development

Professional Business Service

Mixed Use

4. INCUBATOR LOCATION: STREET, MUNICIPALITY, COUNTY

Mailing Address:

Current Owner of the Building:

Zoning Designation of incubator site:

Size of Building: \_\_\_\_\_ Sq. Feet

Size of Rentable Units: \_\_\_\_\_ Sq. Feet \_\_\_\_\_ Number of Units

Total Project Cost: \_\_\_\_\_

## 5. AMOUNT REQUESTED FROM SMALL BUSINESS INCUBATOR PROGRAM

Tax Credit: \_\_\_\_\_

## 6. METHOD OF FINANCING

See page 8 for worksheet.

## 7. ITEMIZED PROJECT COST ESTIMATE

This program can fund up to 50% of these costs. If the project involves acquisition and rehabilitation of a facility in which only a portion of the space will be used as the small business incubator, eligible costs will be calculated either on a space footage basis or a valuation basis, whichever is most appropriate.

## A. Acquisition

Type	Cost	Asset Life (Years)
Leasing of land with existing building		
TOTAL (must have lease/purchase agreement)		

## B. Rehabilitation

Type	Cost
Plumbing	
Heating/Ventilating/Air Conditioning	
Lathing, Plastering, Painting	
Electrical	
Fire Protection System	
Roof	
Sewer/Septic System	
Water	
Insulation	
Other	
TOTAL	

## C. CONSTRUCTION

TOTAL COSTS \$ \_\_\_\_\_

D. RELATED COSTS  
(Costs listed below are NOT eligible costs)

Type	Cost
Architectural Design/Inspections	
Engineering Design	
Legal Fees (not related to closing costs)	
Appraisal Fees	
Title Insurance	
General Insurance	
Contingencies (10% Maximum)	
Working Capital	
Other (Describe)	
TOTAL	

E. EQUIPMENT (Attach additional sheets if necessary)

ITEM	QUANTITY	UNIT PRICE	ITEM TOTAL	ASSET LIFE (YRS)
TOTAL				

F. FURNISHINGS (Attached additional sheets if necessary)

ITEM	QUANTITY	UNIT PRICE	ITEM TOTAL	ASSET LIFE (YRS)
TOTAL				

Summary of Eligible Costs

A.	Acquisition/Lease	\$
B.	Rehabilitation	\$
C.	Construction	\$
D.	Related Costs	\$
E.	Equipment	\$
F.	Furnishings	\$
	TOTAL	\$
	Ineligible Costs	\$
	GRAND TOTAL	\$

Basis for Cost Estimates (Attach copies)

Bids	\$
Engineering/Architectural Estimates	\$
Contractor Estimates	\$
Other (Describe)	\$

## 8. PROJECT NARRATIVE

## A. Need

- Need for the incubator facility as revealed in the feasibility study or market survey, with an inventory of existing facilities and why these facilities are inadequate for business start up.
- How the facility will meet the needs identified in the feasibility study or market study.
- How the facility complements and conforms to the economic development strategies of the local or regional development agencies.
- The geographic area that the incubator expects to serve.

## B. Type

- Describe whether the facility is a manufacturing, product development, business services or mixed-use facility.
- Explain the rationale for the type chosen.
- Explain how the building chosen is suited to these purposes.
- Describe how easily the building can respond to changing local market conditions that may warrant a change in the focus of the incubator.

## C. Facilities

- Describe the general condition of the building and discuss any existing facilities such as parking, sewer, water, etc.
- Discuss the zoning designation for the area. If the facility is not zoned for the proposed use, discuss progress made in obtaining a zoning variance or change in zoning designation.
- If the building is currently being leased by the local sponsor, describe the terms of the lease, submit a copy of the lease and the option to buy agreement, and project a date for the closing of the sale. The Financial Projections Statement (Exhibit D) should reflect the change in ownership of the building and land once the local sponsor acquires the property.

## D. Business Development Services

- List the services which will be provided to all incubator tenants as part of the local sponsor's basic package.
- List services which will be offered to tenants for a fee.
- Indicate which of the services to be offered will be provided by operator or local sponsor staff and which will be provided through contracts with outside providers. Attach resumes of service providers that show their ability to perform the business services function.
- Services shall include, but need not be limited to, financial consulting assistance, management and marketing assistance and physical services.

E. Management

- Include a short organizational history of the local sponsor.
- Include resumes or biographical sketches of the local sponsor's principal officers and the incubator staff and its other business affiliations.
- Include personal financial statements of all principal owners, if a for-profit developer is developing the incubator.
- Include a management organization chart with names of individuals filling the positions. If organized as a for-profit entity, list all stockholders or partners holding a 20 percent or greater interest in the incubator facility.
- Describe the marketing plan for the incubator facility and the methods to be used to recruit businesses into the facility.
- Describe how tenants will be encouraged to exchange information and ideas to their mutual benefit.

F. Project Impact

- Estimate the total number of firms to be housed in the incubator.
- Estimate the total number of jobs that will be created by these firms over the next four years.
- Submit the following information for at least two firms which have already expressed interest in securing incubator space:
  - Firm name, address, telephone number;
  - Principal contact person;
  - Number of current employees;
  - Number of jobs to be created over 4 years;
  - Space requirements;
  - Special equipment or service needs; and
  - Type of product or technology being developed.

## REQUIRED EXHIBITS

### **Exhibit A: Deed**

Submit a copy of the deed to the property if the local sponsor has already taken title to it. If the local sponsor is in the process of acquiring the property, submit a copy of the Sales Agreement or Leasehold Mortgage along with an Option to Buy.

### **Exhibit B: Appraisals**

Submit copies of two independent real estate appraisals of the property.

### **Exhibit C: Financial Statements**

Submit copies of financial statements of the local sponsoring agency for the last three years which have been prepared and/or audited by an independent public accountant. In addition, if the closing date of the most recent statement is six months or earlier, submit the most current following financial statements:

Balance Sheet – summarizing assets, liabilities and net worth of the local sponsor.

Income Statement – summarizing all revenue and expense items with the result showing net income/loss.

### **Exhibit D: Financial Projections**

Submit a Pro Forma Statement covering the first four quarters of operation. Include cash flow statements which reflect sources of income, including loans and expenditures, including debt service. The Pro Forma should show sufficient cash flow to sustain everyday operations. These projections should be prefaced by the assumptions used. These projections should be shown on a monthly basis for a period of four years, with yearly totals shown. Financial projections will include a breakeven analysis from tenant rentals. If rentals are insufficient, what are the other sources of income and what is the reliability of that income? The projections should include the following:

General administration – salaries, benefits, insurance, travel, management and professional fees.

Building operation – revenue from rentals, expense for interest, taxes, utilities, maintenance, depreciation, equipment, etc.

Do not adjust for changes in the price level.

### **Exhibit E: Tenants Costs**

Submit the proposed fee structure which will be charged to tenants of the incubator. Separate the costs into rental space, business support services (i.e., secretarial, janitorial, etc.) and technical support services.

### **Exhibit F: Commitments**

Submit letters of commitment or other documentation to support the figure contained in Section 6 of the Summary Application form. These letters or documents should specifically state the amounts committed, interest rates and terms. In cases of donated equipment, the letters should state the value of the equipment “as is.”

## REQUIRED EXHIBITS CONTINUED

### **Exhibit G: Tenant Eligibility Policy**

Include a copy of the policy that will be followed when considering the eligibility of a potential incubator tenant and for regularly reviewing the tenant's ability to depart the facility and survive outside the incubator.

### **Exhibit H: Building Code Certification**

Include a letter from the local jurisdiction certifying that the building conforms to all application building and energy codes.

### **Exhibit I: Certification of Non-Discrimination**

The applicant must certify that the local sponsor, incubator operator or tenant will not discriminate against any employee or against any applicant for employment or against any tenant because of race, religion, color, national origin, sex or age.

To assist the local sponsor in completing the application the following checklist is provided.

## APPLICATION CHECKLIST

Have you:

- ☐ Completed the Summary Application Form according to the instructions?
- ☐ Completed the Itemized Project Cost Estimate?
- ☐ Attached copies of the documentation of the cost estimates?
- ☐ Sufficiently addressed all the points contained in the six sections of the Project Narrative?
- ☐ Submitted a copy of the deed, if applicable?
- ☐ Included real estate appraisals?
- ☐ Submitted financial statements prepared by an outside accounting firm?
- ☐ Included a balance sheet, income statement and pro forma statement?
- ☐ Submitted commitment letters or other documentation from banks or other institutions which are participating financially?
- ☐ Submitted a copy of the tenant eligibility and departure policy?
- ☐ Included a certification of non-discrimination?
- ☐ Completed a marketing plan?

Remember to forward copies of the occupancy certificate and certification of conformance to all applicable building and energy codes before tenants occupy the incubator.

## 6. METHOD OF FINANCING WORKSHEET

USE OF FUNDS		SOURCE OF FUNDS					
USE	AMOUNT	LENDERS(S)	TERM	EST. RATE	COLLATERAL	AMOUNT	DEBT SERVICE
Acquisition of land and existing buildings.	\$						
Leasing of land and existing buildings.	\$						
Rehabilitation of buildings and other facilities.	\$						
Purchase of equipment and furnishings.	\$						
Purchase of existing incubators which are currently being leased.	\$						
Construction of facility.	\$						
<b>TOTAL COSTS</b>	\$			<b>TOTAL SOURCES</b>		\$	\$